

Lesson 5.1 Understanding the Need for Market Information

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F 1. Most businesses feel it is best to try to meet the needs and wants of all possible consumers
- T 2. An interactive kiosk is an inexpensive method of supplying information to customers.
- F 3. Customers' needs will generally remain the same over time.
- T 4. Because most consumers are able to satisfy their basic needs, they devote more of their resources to satisfying their wants.
- T 5. Effective marketing information improves decisions made by businesses.
- F 6. Businesses that understand their customers' wants and needs in their home country will be able to use the same marketing strategies in international markets.
- T 7. Effective marketing information reduces the risk of decision making.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D 8. _____ purchases are not essential, so consumers can decide whether or not to purchase them.
 - A. Unwanted
 - B. Secondary
 - C. Luxuries
 - D. Discretionary
- C 9. Important factors facing businesses today that increase the need to gather and study information include all of the following *except*
 - A. consumer differences
 - B. expanding choices
 - C. larger marketing budgets
 - D. more intense competition
- D 10. To make effective marketing decisions, marketers need information about
 - A. consumers
 - B. the business environment
 - C. the marketing mix
 - D. all of the above

Activity 1 • Cars, Cars, Cars!

Directions: Assume you are a car dealer who has been in business for many years. Your dealership has emphasized the sale of luxury, high-priced new cars, so most sales have been to middle-aged and older, upper-income buyers who are 25 years of age or older. Within the past year your manufacturer has introduced a new line of moderately priced, sportier, and fuel-efficient cars. As a result, you have discovered that a younger group of customers is coming into your dealership who have different needs and wants related to auto purchases. You want to serve this market segment but need to understand it better.

1. Do you believe all of the new customers will be in the same target market? Why or why not?

No, they have different interests, financial situations, and uses for the car.
2. What information would be needed to determine if the new shoppers will be good prospective customers?

An effective market needs an interest in buying an automobile, the financial resources to buy or lease, and needs and interests related to the new automobiles being sold.
3. What important mix elements should be considered in attempting to reach this market?

The product is important but specific features and options meeting customer needs must be available. Location is already set, but the audience must be comfortable in the dealership. Both promotion and pricing must respond to the new customers. Student answers should demonstrate an understanding of the relationship between the new customers and the marketing mix decisions.

Activity 2 • Successful Marketing in Your Community

Directions: Select a business that has been successful in your neighborhood or community for many years. Identify the reasons for its success by describing three important characteristics for each of the information categories in the table below that apply to the business.

Consumers	Marketing Mix	Business Environment
1. <i>Answers will vary, but should identify important characteristics of the businesses customers.</i>	1. <i>Answers will vary, but should identify the characteristics of the market mix that are important to the business.</i>	1. <i>Answers will vary, but should identify business environment factors that affect the business.</i>
2.	2.	2.
3.	3.	3.

Lesson 5.2 Finding and Managing Marketing Information

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F 1. For most marketing decisions, there is usually only one good source of information.
- F 2. Customer records and sales information are examples of external information.
- T 3. A business must evaluate each source of information to determine if it meets the organization's needs in terms of accuracy, time, detail, and cost.
- T 4. Marketing information can come from internal sources, external sources, and marketing research.
- T 5. A customer club is an effective way for a business to gather information about its customers.
- F 6. It is not legal for businesses to use information obtained from trade and professional associations.
- F 7. Using a marketing information system (MkIS) will require more time to gather information than using marketing research.
- T 8. An important characteristic of a storage system in an MkIS is that it must protect the data.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D 9. Which of the following would not be an important source of information for marketers?
 - A. sales records
 - B. production reports
 - C. marketing performance information
 - D. all are important
- A 10. An external source of information for marketers is
 - A. government records
 - B. sales records
 - C. financial statements
 - D. all of the above
- B 11. One of the five elements of an effective information system includes
 - A. market research
 - B. analysis
 - C. results
 - D. marketing mix

Activity 1 • Information Scavenger Hunt

Directions: Locate an information source that provides the following information. Record the answer and the information source.

1. What is the population of your community?

Answers will vary. Have students compare their answers and the information sources they used.

2. What is the average income of the residents in your community?

Answers will vary.

3. How many grocery stores are in your community?

Answers will vary.

4. What is the highest and lowest price charged for a gallon of gasoline in your community?

Answers will vary.

5. What is the name of the nearest minor league baseball team?

Answers will vary.

6. By what percentage has the population of your community changed in the past 10 years?

Answers will vary.

7. Which states are touched by the Great Lakes?

Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin

8. How many tablespoons are in a $\frac{1}{4}$ cup?

4 tablespoons = $\frac{1}{4}$ cup

9. In the year 2005, which state had the smallest population?

Wyoming

10. Identify an important world event that happened on this date in history.

Answers will vary.

11. Where is the city of Timbuktu located?

It is located in the country of Mali in western Africa.

12. What was the highest rated television show during the past week and how many viewers watched it?

Answers will vary.

Lesson 5.3 Using Marketing Research

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T 1. Marketing research should be used when a business needs to solve a specific and unique problem.
- F 2. The first step in marketing research is to complete a situation analysis.
- T 3. Information already collected for another purpose that can be used to solve the current problem is secondary data.
- T 4. The number of people in a sample is smaller than the number in a population.
- F 5. The results of marketing research should be presented orally to decision makers rather than in a written report.
- T 6. A marketing research report should describe the purpose of the study and the research procedures followed to collect the information.
- T 7. In most cases, the marketing researchers completing the study do not make the final decisions about solutions.
- F 8. Marketing research is usually too expensive and time-consuming to be a valuable tool for businesses.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- C 9. After reviewing the situation and the available information, a researcher
 - A. states the problem
 - B. asks others to review the problem statement
 - C. might be able to identify a solution without completing a research study
 - D. prepares the research report
- D 10. Information collected for the first time to solve the problem being studied is _____ data.
 - A. biased
 - B. numerical
 - C. secondary
 - D. primary
- B 11. A procedure in which everyone in the population has an equal chance of being selected in the sample is
 - A. a focus group
 - B. random sampling
 - C. marketing research
 - D. an experiment

Activity 1 • Using Research to Make a Decision

Directions: Apply the principles of scientific problem solving to the decision in the following scenario. Describe how you would use the procedure and information to make a decision.

You are a senior in high school and need to save \$5,000 for a used car you have selected. You have two job offers. You have \$2,500 in a college savings account. The job offers are:

Children's toy store assistant manager

- Pay—\$6.55/hour, \$.50/hour pay differential for working the closing shift
- Hours—20 hours per week; you must work either Saturday or Sunday; and you must close at least one night per week, which involves staying until 10:30 P.M.

Wait staff at an upscale restaurant

- Pay—\$2.50/hour plus tips
- Hours—15–25 hours per week, but you must work both Friday and Saturday nights most weeks

Define the problem.

Answers will vary, but should include saving \$5,000.

Analyze the situation.

Answers will vary, but should include the amount of time needed to acquire the money and the time available for working each week.

Develop a data-collection procedure.

Answers will vary, but could include interviewing other students who work.

Gather and study information.

Answers will vary, but could include preparing survey questions.

Propose a solution.

Answers will vary, but should include a decision based on the collected information.

Lesson 5.4 Collecting Primary Data

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T 1. Open-ended questions are used when researchers are attempting to identify the problem or completing a situation analysis.
- F 2. When possible, survey questions should be written in such a way that respondents are directed to one answer rather than the others.
- T 3. The responses to a survey should be kept confidential.
- F 4. When possible, surveys should collect more information than necessary in order to answer future questions.
- T 5. An objective way for researchers to collect information is by observing the behavior of participants.
- F 6. Experiments occur when researchers give two different forms of a survey to respondents.
- T 7. Experiments are not used as often in marketing research as surveys or observations.
- T 8. Test markets should be selected that reflect consumer and competitive characteristics important to the company.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- A 9. A planned set of questions to which individuals or groups of people respond is
 - A. a survey
 - B. random sampling
 - C. a marketing research report
 - D. an experiment
- B 10. A focus group is
 - A. a group of marketers who develop a survey
 - B. a small number of people who meet to discuss an issue
 - C. a list of specific questions to be included in a survey
 - D. another name for a target market
- C 11. Experiments operated in laboratories where researchers create the situation to be studied are known as
 - A. focus groups
 - B. test markets
 - C. simulations
 - D. random sampling

Activity 1 • Improving Airline Service

Directions: The airline industry is very competitive and lately has experienced a very small profit margin. A major U.S. carrier decided to survey its passengers to determine their opinion of the quality of the airline's service. Surveys were mailed to 7,500 passengers who had flown on at least two trips in the past six months. Responses to the survey are shown in the table. Calculate the percentages for each response to complete the table and answer the questions that follow it.

Questions	Responses					
	Yes	%	No	%	No Answer	%
1. Was your flight on time?	3,429	74%	1,221	26%	0	0%
2. Were you able to board promptly?	3,275	70%	1,375	30%	0	0%
3. Was your luggage check-in handled efficiently?	4,406	95%	39	.8%	205	4.2%
4. Were the following amenities offered to you during your flight?						
Magazines	4,013	86%	637	14%		
Pillow or blanket	2,543	55%	2,107	45%		
Headset	4,439	95%	211	5%		
Special request	1,589	34%	386	8%	2675	58%
5. Were the beverages and snacks served promptly?	3,979	86%	671	14%	0	0%
6. Were flight attendants pleasant and helpful?	3,261	70%	889	19%	500	11%
7. If applicable, did the airline personnel provide information regarding connecting flights?	2,341	50%	267	6%	2,042	44%
8. When given a choice of airlines, would you fly this airline again?	4,523	97%	127	3%	0	0%

1. What percentage of surveys was returned? $4650/7500 = 62\%$ of surveys were returned
2. Visually illustrate the percentage results based on total respondents by constructing a pie chart or bar graph for each question. Color code the responses to make the graphs more visually appealing.

Answers should reflect the data from the research results.

3. What are the current strengths, if any, of this airline's service?

Strengths are baggage handling, prompt service, and 97% indicated they would fly this airline again given the chance. Overall responses were positive.

4. What problem areas, if any, do you believe the airline should investigate further?

The biggest problem areas: 26% of the respondents said their flight was not on time, and 30% said they did not board promptly. More than half of respondents did not seem to know they could make special requests during their flight. 30% had a concern or no response about flight attendants' attitude and helpfulness.